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From the Los Angeles Times

## Natural Gas Terminal Off Coast Is Proposed

**A project about 22 miles south of Malibu is one of several proposed to meet state energy demand.**

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Australia's Woodside Energy, hoping to overcome environmental and safety concerns, is expected to unveil plans today to place a liquefied natural gas terminal in the Pacific Ocean about 22 miles south of Malibu.

It would be the latest of half a dozen proposals to meet California's growing demand for clean-burning energy by importing liquefied natural gas. A debate over the safest way to handle the volatile fuel has dogged all of the projects.

Under Woodside's proposal, the gas would be pumped from Australian fields, supercooled to a liquid and transported in specially designed tanker ships. Upon arrival at the offshore terminal, the liquid would be turned back into a gas while still aboard ship, then sent via underwater and overland pipelines to the Southern California Gas Co. delivery network.

The terminal, which would be little more than a ship mooring with a flexible connection to the pipeline, involves no permanent structure that can be seen from shore, said Jane Cutler, president of Woodside's Los Angeles-based subsidiary.

Cutler said the proposed site was close to the giant Los Angeles market and was also the best of 17 locations studied between Monterey Bay and the Camp Pendleton Marine base.

The project site — in the 3,000-foot-deep Santa Monica Basin, about 22 miles from both Point Dume in Malibu and the northern tip of Santa Catalina Island — does not interfere with shipping lanes, ferry routes, nature preserves or military exercise zones, Cutler said. The undersea pipeline would come ashore at Los Angeles International Airport.

Woodside expects to file applications with state and federal regulatory agencies in the next 60 days. If it gets the needed approvals, Woodside could begin importing an average of 800 million cubic feet a day of natural gas by 2011, providing enough fuel to supply as much as 15% of the state's market for home heating, heavy industry and electricity generation, Cutler said.

The plan is similar to a proposal by another Australian company, BHP Billiton, to put a floating liquefied natural gas terminal in the ocean 21 miles off Port Hueneme in Ventura County. However, the BHP plan would require a permanent offshore regasification facility, where the super-cooled liquid is turned back into gas.

Environmentalists are fighting the BHP proposal, questioning its safety and whether there will be enough demand

for the gas.

But if California eventually decides to import liquefied natural gas, then the Woodside proposal might make sense, said Susan Jordan of the California Coastal Protection Network in Santa Barbara.

"If we import, the next technology should be the safest and carry the least environmental footprint," Jordan said.

Other proposals include building land-based plants in Long Beach and northern Mexico and retrofitting a mothballed oil platform off of Oxnard for a liquefied natural gas facility.

Although the LNG industry has had a generally strong safety record, some officials worry about putting a potentially dangerous regasification plant in an urban setting such as Long Beach.

Chris Garner, director of gas and oil for Long Beach, said his office had yet to approve the project and was continuing to analyze the safety and economic aspects of the liquefied natural gas proposal.

Andy Stern, mayor of Malibu, said of Woodside's proposal: "The vast majority of people in my city are opposed to any LNG facility. It's an environmental disaster waiting to happen."

BHP, which is holding environmental hearings on its Cabrillo Port project next week, hopes to complete the review process by late summer.

Would-be liquefied gas importers are banking on California Energy Commission estimates that demand for natural gas will grow steadily over the next decade while supplies are expected to decline. Average prices have more than doubled to around \$7 per 1,000 cubic feet since 2002 and hit a record high of nearly \$16 late last year.

"We need more natural gas. The state needs it to grow," said Dorothy Rothrock, a vice president of the California Manufacturers and Technology Assn.

Environmentalists and community activists, however, believe the state should cut imports of petroleum-based fuels and focus on conservation and developing new sources of renewable energy. They're backing a bill in the Legislature that would require the California Public Utilities Commission to quantify the state's natural gas demand and rank LNG proposals on criteria for safety, environmental protection and economic necessity.

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